



*MR R*  
**RJ Reynolds**  
Tobacco Company

*Alice -  
Please make me  
a copy  
my*

**SALEM BUSINESS UNIT  
PO BOX 1515  
WINSTON-SALEM, NC 27102-1515**

*R*

**FAX TRANSMISSION COVER SHEET**

<b>DATE:</b>	<b>May 13, 1998</b>	
<b>TO:</b>	<b>MARK YOUNG FAX # 732-417-9076</b>	
<b>FROM:</b>	<b>RON GROUT FAX # 336/741-2300</b>	
<b>INSTRUCTIONS:</b>		
<b>PAGES TO FOLLOW:</b>	<b>5</b>	

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# SALEM TEST MARKET — NEW YORK

## March Performance

- SALEM brand share declined .11 versus February:
  - Second highest test market share to date.
  - 0.64 above expected trend.
- Performance stable in light of heavy competitive promotional activity (Newport B2G1F, Marlboro UL introduction).

	<u>Newport</u>	<u>Kool</u>	<u>Marlboro Menthol</u>	<u>SALEM</u>
Feb-Mar Share Chg	+0.60	-0.33	+0.29	-0.11
Share of Menthol Display	+9.46	-2.06	+3.36	-0.30
% CIV Any Promo	+14.34	+4.14	+17.52	-10.22
% Volume Any Promo	+2.73	+13.10	+15.76	+0.87

- Action plans:

- Continue to drive positioning versus Newport.
- Continue push for distribution expansion.
- Drive increased display where possible; maintain current display levels.
- Closely monitor Marlboro Menthol short-term impact.
- Maintain ongoing discounting activity: snipe, DSD, DOD.

↓ FF100M B&W  
included?

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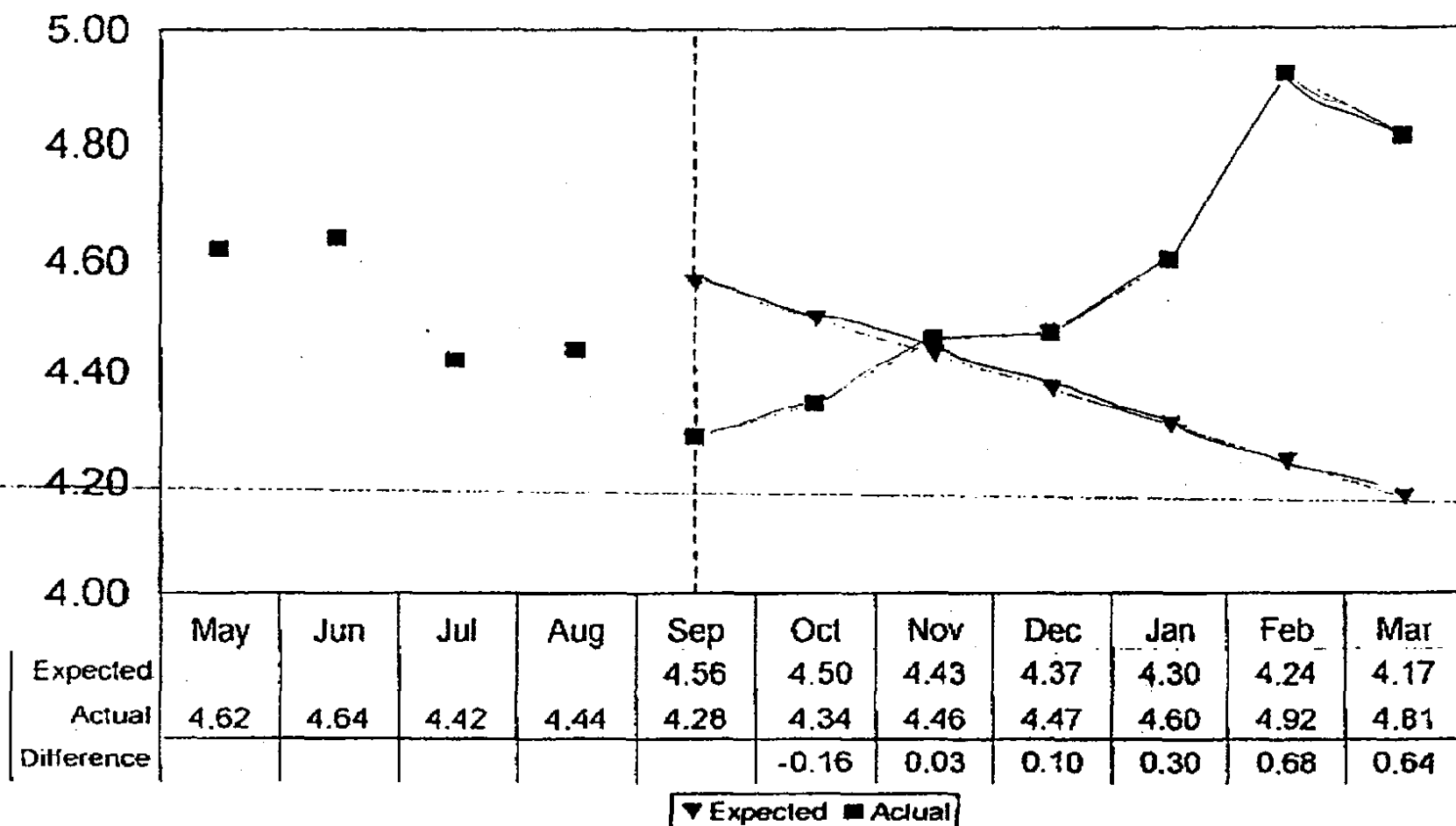
MAY-13-92 12:35PM FROM-RJRT

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# Salem Test Market - New York

## Salem Share of Market - Expected vs Actual



Actual Based on May - March Static Sample Expected: July 96 - September 97 Static 1

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From-RLRT

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## ALL OUTLETS COMBINED

3/5/88

NEW YORK

SALER	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
<u>SHARE</u>											
SHARE OF VOLUME	4.87	4.64	4.47	4.44	4.28	4.34	4.43	4.47	4.60	4.87	4.81
SHARE OF FULL PRICE	4.86	5.02	4.78	4.81	4.65	4.72	4.62	4.63	4.86	5.35	5.20
SHARE OF NET OF DISPLAY	14.66	18.36	15.11	13.11	11.07	8.18	16.30	18.00	22.67	21.64	21.54
SHARE OF DISPLAY (W/OUT NET) (W/OUT NET)	23.18	26.67	24.84	19.15	17.27	12.47	24.14	21.84	21.38	27.32	21.12
<u>PROMOTIONAL SUPPORT</u>											
% OF ANY PROMO	8.37	7.71	12.09	14.89	14.36	18.38	27.78	31.85	57.71	53.35	43.14
% OF NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.84	19.27	15.78	10.58
% OF ANY PRICE REDUCING PROMO	8.37	7.71	12.09	14.89	14.36	18.38	27.78	31.85	57.71	53.35	43.14
% OF NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% OF ANY NET	22.71	21.08	19.65	17.56	11.76	10.13	39.44	34.87	50.74	48.20	43.51
<u>PROMOTED VOLUME / DISPLAY VOLUME</u>											
% VOLUME ANY PROMO	5.73	2.93	8.86	8.84	9.70	10.76	8.89	12.43	18.48	19.07	18.84
% VOLUME NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.86	1.85	1.30	1.54
% VOLUME ANY PRICE REDUCING PROMO	5.73	2.93	8.86	8.84	9.70	10.76	8.89	12.43	18.48	19.07	18.84
% VOLUME NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% VOLUME ANY DISPLAY	5.79	6.39	7.58	6.84	5.56	7.18	13.00	11.87	18.77	14.10	12.89
<u>PRICE</u>											
AVERAGE NET TAIL PACK PRICE	2.28	2.29	2.27	2.26	2.29	2.29	2.32	2.31	2.28	2.30	2.30
AVERAGE NET TAIL CATION PRICE	21.13	21.24	21.10	21.12	21.45	21.27	21.87	21.62	21.85	22.10	21.82
<u>NETWORK</u>											
<u>SHARE</u>											
SHARE OF VOLUME	12.64	12.23	13.17	13.91	13.91	14.11	14.21	14.48	14.70	13.78	14.36
SHARE OF FULL PRICE	13.78	13.18	14.19	14.87	14.85	15.19	15.27	15.58	15.78	14.80	15.34
SHARE OF NET OF DISPLAY	27.78	16.22	20.50	22.87	25.25	30.38	30.06	31.73	27.28	35.12	44.56
SHARE OF DISPLAY (W/OUT NET) (W/OUT NET)	39.83	31.78	31.75	31.36	33.30	41.81	38.82	41.44	34.53	49.88	53.56
<u>PROMOTIONAL SUPPORT</u>											
% OF ANY PROMO	24.13	18.72	22.78	17.18	17.70	21.52	27.78	21.84	15.50	25.05	38.36
% OF NET	0.00	0.00	0.00	0.00	0.43	0.00	0.00	0.00	0.00	0.00	0.00
% OF ANY PRICE REDUCING PROMO	24.13	18.72	22.78	17.18	17.70	21.52	27.78	21.84	15.50	25.05	38.36
% OF NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% OF ANY NET	12.88	10.89	10.53	10.12	11.29	18.70	18.50	24.78	15.27	25.08	24.87
<u>PROMOTED VOLUME / DISPLAY VOLUME</u>											
% VOLUME ANY PROMO	5.85	4.44	4.89	3.83	4.85	6.41	6.87	6.80	3.47	8.86	8.89
% VOLUME NET	0.00	0.00	0.00	0.00	0.43	0.00	0.00	0.00	0.00	0.00	0.00
% VOLUME ANY PRICE REDUCING PROMO	5.77	3.98	4.30	3.74	4.75	6.38	6.88	6.80	3.47	8.86	8.89
% VOLUME NET	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% VOLUME ANY DISPLAY	3.86	2.98	3.17	3.37	3.85	4.75	4.77	6.43	6.77	8.84	11.25
<u>PRICE</u>											
AVERAGE NET TAIL PACK PRICE	2.29	2.30	2.29	2.29	2.31	2.31	2.35	2.35	2.38	2.35	2.35
AVERAGE NET TAIL CATION PRICE	21.08	21.20	21.33	21.23	21.60	21.50	22.01	21.88	22.21	22.58	22.40

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